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7 Attorneys for Defendants
8 YELLOW CAB CO. OF ELK GROVE and MICHAEL STEINER

9 IN THE UNITED STATES DISTRICT COURT

10 FOR THE EASTERN DISTRICT OF CALIFORNIA

11 YELLOW CAB CO. OF SACRAMENTO,) **Case No.: CV-02-00704-FCD**

12 Plaintiff,)

13 vs.)

14 YELLOW CAB CO. OF ELK GROVE, et)
15 al.,)

16 Defendants.)

17) **DEFENDANTS' NOTICE OF MOTION**
18) **AND MOTION FOR ATTORNEY'S**
19) **FEES**

20) **(15 USC §1117(a))**

21) **HEARING DATE: March 30, 2007**

22) **TIME: 10:00 a.m.**

23) **COURTROOM: 2**

24 _____
25 TO: YELLOW CAB COMPANY OF ELK GROVE AND THEIR ATTORNEY'S OF
26 RECORD: Please take note that on March 30, 2007, at 10:00 a.m in Department 2 of the
27 united States District Court 501 I Street, Sacramento, Ca, defendant's Yellow Cab of Elk
28 Grove and Michael Steiner will and hereby do move this Court for an order granting
attorney's fees pursuant to 15 USC §1117(a).

This motion is based on this notice, the points and authorities and declarations
attached herein and whatever argument and evidence the Court may allow at the time of
hearing.

1 Dated: 2-19-2007

Respectfully Submitted by:

3 /s/Jeff Kravitz

4 Jeff Kravitz
5 Attorney for Defendants

6

7 MOTION - POINTS AND AUTHORITIES

8

9 1. LEGAL STANDARD

10 Under the Lanham Act a Court may in exceptional cases award reasonable
11 attorneys' fee to the prevailing party. 15 USC §1117(a).

12 A prevailing party does not need to show that the plaintiff acted in bad faith to gain
13 an award of attorney fees. (*Boney v. Boney Services Inc.*, 127 F.3d 821, 827 (9th Cir.
14 1997). The Boney court noted that this was the first decision on the issue of attorney's
15 fee for prevailing defendants and thus they looked to sister jurisdictions for guidance. The
16 *Boney* court cited *Scott Fetzer Co. v. Williamson*, 101 F.3d 549 (8th Cir. 1996) for the
17 standard that "When a plaintiff's case is groundless, unreasonable, vexatious or pursued
18 in bad faith, it is exceptional and the district court may award attorney's fee to the
19 defendant."

20 Not all of the *Boney/Fetzer* criteria must be met to grant attorneys fees to a
21 prevailing defendant. As the Ninth Circuit explained in *Cairns v. Franklin Mint Co.*, 292
22 F.3d 1139, 1155 (9th 2002), "This requirement is met when the case is *either*
23 "groundless, unreasonable, vexatious, or pursued in bad faith." In *Mattel Inc. v. Walking
24 Mt. Prods.*, 353 F.3d 792, 816 (9th Cir. 2003) , the 9th circuit remanded for a determination
25 of attorneys fees because the plaintiffs claims "may have been groundless or
26 unreasonable."

1 To the list of various factors that can make a case exceptional the Fourth Circuit
2 has added "economic coercion," "groundless arguments," and "failure to cite controlling
3 law" in their determinations of shifting fees in favor of the prevailing defendant. *Ale*
4 *House Mgmt., Inc. v. Raleigh Ale House, Inc.*, 205 F.3d 137, 144 (4th Cir. 2000).

5 The Tenth Circuit in *National Ass'n of Prof'l Baseball Leagues, Inc. v. Very Minor*
6 *Leagues*, 223 F.3d 1143 ,1146-47 (10th Cir. 2000). has noted that the award of attorneys
7 fees to defendants was justified in the original legislative history of the act by two
8 considerations "One, an objective consideration, is whether the suit was "unfounded."
9 See S. Rep. No. 93-1400, at 2 (1974), reprinted in 1974 U.S.C.C.A.N. 7132, 7133. The
10 other, a subjective consideration, is whether the suit was brought by the trademark owner
11 "for harassment and the like." Id. The legislative history further advises that an award of
12 attorney fees to a prevailing party is authorized where "justified by equitable
13 considerations." Id. at 1, reprinted in 1974 U.S.C.C.A.N. 7132."

14 Thus here the Court should consider whether the claims brought by the Plaintiff
15 were groundless, or unreasonable, or vexatious, or pursued in bad faith or was pursued
16 for harassment or whether equitable considerations require the granting of attorneys
17 fees.

18 2. Plaintiffs Claims Were Groundless or Unreasonable

19 The plaintiff claimed that their use of the unregistered term 'yellow cab' deserved
20 trademark protection. The theory that the Plaintiff claimed was that within the greater
21 Sacramento region consumers of taxicab services had come to associate the term
22 exclusively with their companies' services. Thus despite the overwhelming evidence of
23 concurrent use of the term 'yellow cab' by others, they could exclude the defendant from
24 using the term.

1 The plaintiff never cited any cases to support their theory. However, more
2 importantly they presented no evidence to support it either.

3 The plaintiffs had no expert witness; they had conducted no survey to prove their
4 claim. Moreover, the vast majority of evidence used by the defendant was provided by
5 the Plaintiff.

6 The plaintiff's own evidence was repeatedly used during the course of trial to show
7 that various 'yellow cab' companies had been advertising in Sacramento area phone
8 books for decades. It appeared that the Plaintiffs were not even aware of their own
9 evidence.

10 Witnesses called by the plaintiff actually testified in a manner consistent with the
11 defendant's theory that the mark was generic. These witnesses testified that they
12 believed all 'yellow cabs' were connected in some manner. One likened it to
13 "McDonalds". Other witnesses openly said that they would choose a 'yellow cab' based
14 on the name alone a name they were aware of before they had ever encountered the
15 Plaintiff's company.

16 While it is objectively obvious that the Plaintiff' claims were groundless on their
17 face, attorney's fees must be granted here were the Plaintiff either did not bother talking
18 to their own witnesses or dismissing the case once they found out that no witness would
19 testify in a manner consistent with plaintiff's legal theory.

20 Indeed, this Court found that there was no evidence presented on the claim for
21 "unfair competition" that could survive a determination that the term was generic and
22 entered a directed verdict on that claim. Thus Attorney's Fees must be granted for
23 prevailing on this claim. As the *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1155 -1156
24 (9th 2002), a defendant can be entitled to fees for prevailing on certain claims based on
25 the merits of the particular claim.

1 However, here every claim brought by the plaintiff was groundless and attorney's
2 fees should be awarded for all claims.

3 3. Plaintiff's litigation actions and equitable considerations should cause this
4 Court to grant attorney's fees to the defendant.

5
6 During the course of pretrial and trial the plaintiff engaged in various legal actions
7 that increased the fees of the case for the defendant.

8
9 The plaintiff filed a motion to exclude the defendant's expert witness that both
10 misconstrued the witness report and misstated the law in numerous ways. As this Court
11 noted in ruling on the motion, "Plaintiff's cases, cited to the contrary, are inapposite".
12 Court Order RE: Motion to Exclude Expert p.4:20. At trial the Plaintiff made various
13 arguments citing authority on the issue of the unfair competition claim that were simply
14 unfounded. The cases cited did not support the legal theory claimed.

15
16 As this Court knows, the Plaintiff has tried to claim that the term 'yellow cab' is only
17 used generically in New York. Thus during the course of the case the defendant's
18 counsel did not mention the use of the term 'yellow cab' in New York, until a plaintiff's
19 witness on direct examination of the Plaintiff's attorney explained that all cabs in New
20 York City are "yellow cabs". Despite this the Plaintiff in closing argument agains tried to
21 tell the jury that the concept of a generic nature to 'yellow cab' was based on the taxicab
22 licensing system in New York. These types of "groundless arguments," and "failure to
23 cite controlling law" should be reviewed by the Court in ordering the shifting of fees in
24 favor of the prevailing defendant. *Ale House Mgmt., Inc. v. Raleigh Ale House, Inc.*, 205
25 F.3d 137, 144 (4th Cir. 2000).

26
27 In addition, equitable considerations and economic coercion must be considered
28 by the Court. Here, the Court is well aware that the Defendant's company is tiny

1 compared to that of the plaintiff. Moreover, the Plaintiff has apparently engaged in this
2 type of harassing activity in the past. They have persuaded various companies to not use
3 the generic term "yellow cab" by threatening them with expensive litigation. Thus they
4 have deprived those companies of using the very term most associated with their service.

5 As the *Ale House Mgmt., Inc. v. Raleigh Ale House, Inc.*, 205 F.3d 137, 144 (4th
6 Cir. 2000) noted the factors to consider for trademark attorney's fees are similar to those
7 of Copyright fees and include: "(1) the motivation of the parties; (2) the objective
8 reasonableness of the legal and factual positions advanced; (3) the need in particular
9 circumstances to advance considerations of compensation and deterrence; and (4) any
10 other relevant factor presented."

12 Here, there is a need to "advance considerations of compensation and deterrence.
13 This company must be deterred from this type of litigation and the defendant had their
14 attorney must be compensated for their important work here in freeing the term 'yellow
15 cab' for use by all. See also *Mattel Inc. v. Walking Mt. Prods.*, 353 F.3d 792, 816 (9th Cir.
16 2003) (holding that Plaintiff's suit could implicate First amendment considerations
17 warranting a grant of attorneys' fees.)

19 Here, where the defendant's attorney capped his fees on this difficult case to
20 \$25,000 despite billable hours that could total a fee of \$93, 150 all standards of the
21 Lanham Act are met for the granting of attorney's fees.

23
24 Conclusion

25 The jury took less than two hours to conclude that the plaintiff had no case
26 whatsoever. The plaintiff's witnesses testified as if called by the defense. The plaintiff's
27 evidence proved the defense case. Despite this the Plaintiff has dragged this case
28

1 through the courts for five years. This court must exercise its discretion and grant the
2 fees of _____ as outlined in the supporting documentation.

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4 Dated: 2-19-2007

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6 Respectfully Submitted by:
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8 /s/Jeff Kravitz
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Jeff Kravitz
Attorney for Defendants